

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

IN RE:	)	
	)	
Stephen Ahrendt	)	BK No. 15-05601
Dena Ahrendt	)	
	)	Judge Schmetterer
	)	
Debtors	)	Chapter 13

---

Stephen Ahrendt	)	
Dena Ahrendt	)	
Plaintiffs,	)	
	)	
v.	)	Adv No. 15-00188
US Small Business Administration	)	
Defendant.	)	

**FINDINGS OF FACT AND CONCLUSIONS OF LAW**

The Court has jurisdiction over this adversary proceeding pursuant to 28 U.S.C. sec 151 et seq and 28 U.S.C. sec 1334 and Local Rule 2.33 of the United States District Court for the Northern District of Illinois. This is a core proceeding. The above referenced adversary case was filed on March 24, 2015 . The Plaintiff served US Small Business Administration by regular US Mail and certified US mail. US Small Business Administration has failed to answer or plead I this case. The Debtors Chapter 13 case was filed February 19, 2015. It has not been confirmed.

Among Debtor's scheduled assets is the Debtor's residence, commonly known as 18040 Lorenz Ave Lansing, IL 60438, PIN#30-31-219-039 .The appraised value of said real estate is \$115,000 as demonstrated by the Uniform Residential Appraisal Report of record. The lien of the first mortgage held by Caliber Home Loans is \$204, 451. The lien of the second mortgage held by US Small Business Administration is \$21,393.

Under Sections 506(a)US Small Business Administration's Second Mortgage would be an allowed secured claim to the extent the value of the estates interest in the property securing the claim, and is an unsecured claim to the extent that the value of such creditor's interest is less than the amount of such claim.

*unsecured by equity*

(See *IN Re: Pence*, 905 F. 2d, 1107 (7<sup>th</sup> Cir 1990), *In Re: King*, 290 B.R. 642 (C.D. Ill. 2003) and this Court's opinion in *In Re: Forrest*, 09 B 20874 (N.D. Ill. 9/16/2009), Slip Op.

WHEREFORE, for forgoing reasons, a judgment by default will be entered in favor of the plaintiffs and against Defendant US Small Business Administration, stripping the Defendant's second mortgage on the Plaintiff's residential real estate.

ENTERED:

U.S. Bankruptcy Judge

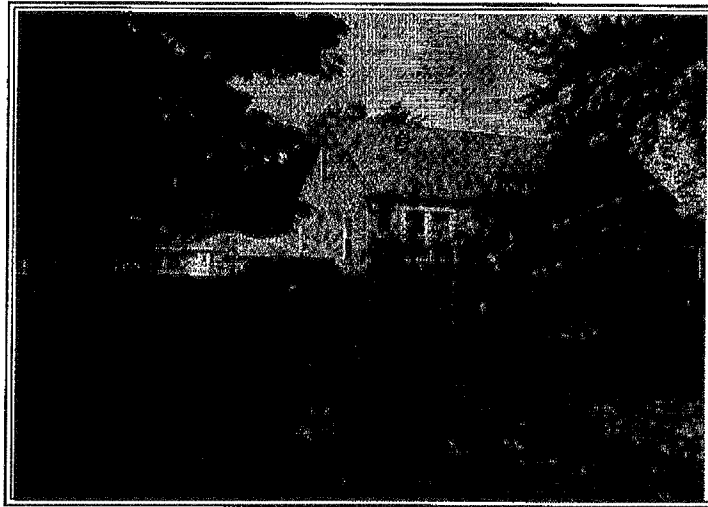
NOV 19 2015

Dated: Nov 19, 2015

Edwin L Feld  
Edwin L Feld and Associates LLC  
1 N LaSalle St Suite 1225  
Chicago, IL 60602  
(312) 263-2100

File No. Ahrendt

**APPRAISAL OF**



**LOCATED AT:**

18040 Lorenz Ave  
Lansing, IL 60438

**CLIENT:**

Dena M Ahrendt  
18040 Lorenz Ave  
Lansing, IL 60438

**AS OF:**

June 13, 2015

**BY:**

David J Evins

*h x A to Evins*

15-00188:14.4:Motion for Default Judgment:Exhibit appraisal Entered: 10/30/2015 2:12:36 PM by:Edwin Feld Page 2 of 6

**Residential Appraisal Report**

File No. Ahrendt

The purpose of this appraisal report is to provide the client with a credible opinion of the defined value of the subject property, given the intended use of the appraisal.																																																																																																																																																												
Client Name/Intended User <b>Dena M Ahrendt</b>						E-mail <b>steveahrendt@aol.com</b>																																																																																																																																																						
Client Address <b>18040 Lorenz Ave</b>				City <b>Lansing</b>				State <b>IL</b>		Zip <b>60438</b>																																																																																																																																																		
Additional Intended User(s) <b>None</b>																																																																																																																																																												
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Owner of Public Record <b>Dena M Ahrendt</b>						County <b>Cook</b>																																																																																																																																																						
Legal Description <b>LOTS 15, 15 AND 17 IN BLOCK 4 IN LANSING PARK</b>																																																																																																																																																												
Assessor's Parcel # <b>30 31 219 039/30 31 219 040/3031 219 041</b>						Tax Year <b>2013</b>		R.E. Taxes \$ <b>3,696.39</b>																																																																																																																																																				
Neighborhood Name <b>Lansing Park</b>						Map Reference <b>16974</b>		Census Tract <b>8280.00</b>																																																																																																																																																				
Property Rights Appraised <input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe)																																																																																																																																																												
My research <input type="checkbox"/> did <input checked="" type="checkbox"/> did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.																																																																																																																																																												
Prior Sale/Transfer: Date <b>09/01/2008</b>				Price <b>\$168,000</b>		Source(s) <b>Asr # 26805048</b>																																																																																																																																																						
Analysis of prior sale or transfer history of the subject property (and comparable sales, if applicable) <b>Subject's sale was over 3 years ago and sold for \$168,000. Comp 1 sold for \$30,000 MLS #08463487 on 12/03/2013. Comp 3 sold for \$33,000 Deed #11833183 on 04/15/2014(REO). Comp 4 sold for \$35,200 MLS #08698143 on 09/16/2014. Subject and other comparables have no prior sales history within past 3 years.</b>																																																																																																																																																												
Offerings, options and contracts as of the effective date of the appraisal <b>None</b>																																																																																																																																																												
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Market Conditions (including support for the above conclusions) <b>Residential market is average. Property values have become stable. Though mortgage money is available from both fha/va and conventional sources, qualifying for a mortgage can be challenging. Seller concessions such as buydowns, discounts etc exist but are not prevalent. Though the market has become stable there are still many foreclosures and some Short Sales in the market.</b>																																																																																																																																																												
Dimensions <b>75 x 125</b>				Area <b>9376 Sq.Ft.</b>				Shape <b>Rectangular</b>		View <b>Residential</b>																																																																																																																																																		
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Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe.																																																																																																																																																												
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**Residential Appraisal Report**

File No. Ahrendt

FEATURE	SUBJECT	COMPARABLE SALE NO. 1	COMPARABLE SALE NO. 2	COMPARABLE SALE NO. 3
18040 Lorenz Ave Address Lansing, IL 60438	18052 Lorenz Ave Lansing, IL 60438	17840 Oakwood Ave Lansing, IL 60438	17730 Henry St Lansing, IL 60438	
Proximity to Subject	0.02 miles S	0.36 miles NW	0.55 miles NE	
Sale Price	\$ 126,900	\$ 120,000	\$ 110,000	
Sale Price/Gross Liv. Area	\$ 83.45 sq. ft.	\$ 55.66 sq. ft.	\$ 85.87 sq. ft.	
Data Source(s)	MRED #08855998; DOM 34	MRED #08849807; DOM 581	MRED # 08831521; DOM 132	
Verification Source(s)	Assessor	Assessor	Assessor	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	DESCRIPTION	DESCRIPTION
Sale or Financing	FHA	FHA	Conventional	
Concessions	3600	None Reported	None Reported	
Date of Sale/Time	10/14-7/14	6/15-4/15	4/15-2/15	
Location	Suburban	Suburban	Suburban	
Leasehold/Fee Simple	Fee Simple	Fee Simple	Fee Simple	
Site	9375 Sq.Ft.	6250 Sq.Ft.	9375 Sq.Ft.	6100 Sq.Ft.
View	Residential	Residential	Residential	
Design (Style)	Cape Cod	Cape Cod	Cape Cod	
Quality of Construction	AVS	AVS	AVS	Brick
Actual Age	67 Years	94 Years	68 Years	64 Years
Condition	Average	Good	Average	Good
Above Grade	Total Bdrms: 3 Baths: 1.1	Total Bdrms: 3 Baths: 2	Total Bdrms: 4 Baths: 2	Total Bdrms: 6 Baths: 3
Room Count	6 3 1.1	7 3 2	8 4 2	6 3 1
Gross Living Area 10.00	1,529 sq. ft.	1,358 sq. ft.	2,156 sq. ft.	1,281 sq. ft.
Basement & Finished	Full	Full	Partial	Full
Rooms Below Grade	Rec Rm	Unfinished	Unfinished	RR, BR, BA
Functional Utility	3 Bedroom	3 Bedroom	4 Bedroom	3 Bedroom
Heating/Cooling	FWA C/Air	FWA C/Air	FWA C/Air	FWA C/Air
Energy Efficient Items	Typical	Typical	Typical	Typical
Garage/Carport	2 Car Garage	2 Car Garage	2 Car Garage	2 Car Garage
Porch/Patio/Deck	Deck	Deck	Deck	None
Net Adjustment (Total)	+ \$ 6,290	- \$ 6,770	+ \$ 7,520	
Adjusted Sale Price of Comparables	Net Adj. -5.0% Gross Adj. 20.3%	Net Adj. -5.6% Gross Adj. 14.0%	Net Adj. -6.8% Gross Adj. 23.2%	
Summary of Sales Comparison Approach	See Attached Addendum			
ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input type="checkbox"/> REPLACEMENT COST NEW				
Source of cost data	Dwelling 1,529 Sq. Ft. @ \$ = \$ 0			
Quality rating from cost service	Bsmr: 1025 Sq.Ft. Sq. Ft. @ \$ = \$ 0			
Comments on Cost Approach (gross living area calculations, depreciation, etc.)	Garage/Carport Sq. Ft. @ \$ = \$ 0			
	Total Estimate of Cost-New = \$ 0			
	Less Physical Functional External = \$ (0)			
	Depreciation = \$ (0)			
	Depreciated Cost of Improvements = \$ 0			
	*As-is* Value of Site Improvements = \$ 0			
	INDICATED VALUE BY COST APPROACH = \$ 0			
INCOME APPROACH				
Estimated Monthly Market Rent \$	X Gross Rent Multiplier	= \$ Indicated Value by Income Approach		
Summary of Income Approach (including support for market rent and GRM)				
Indicated Value by: Sales Comparison Approach \$ 115,000 Cost Approach (if developed) \$ 0 Income Approach (if developed) \$				
The final value is determined through the use of the sales comparison approach as it best represents the attitude of typical buyers and sellers in the current market. The cost approach was considered but not utilized due to subjects age. The income approach was considered but not utilized due to lack of rental properties within the subject neighborhood.				
This appraisal is made <input checked="" type="checkbox"/> "as is," <input type="checkbox"/> subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed <input type="checkbox"/> subject to the following:				
The subject is appraised "As Is" excluding personal property and the value found is contingent upon information furnished by others being correct.				
Based on the scope of work, assumptions, limiting conditions and appraiser's certification, my (our) opinion of the defined value of the real property that is the subject of this report is \$ 115,000 as of 06/13/2015, which is the effective date of this appraisal.				

## File No. Ahrendt

**gear™**

**Residential Appraisal Report**

File No. Ahrendt

**Scope of Work, Assumptions and Limiting Conditions**

Scope of work is defined in the Uniform Standards of Professional Appraisal Practice as "the type and extent of research and analyses in an assignment." In short, scope of work is simply what the appraiser did and did not do during the course of the assignment. It includes, but is not limited to: the extent to which the property is identified and inspected, the type and extent of data researched, the type and extent of analyses applied to arrive at opinions or conclusions.

The scope of this appraisal and ensuing discussion in this report are specific to the needs of the client, other identified intended users and to the intended use of the report. This report was prepared for the sole and exclusive use of the client and other identified intended users for the identified intended use and its use by any other parties is prohibited. The appraiser is not responsible for unauthorized use of the report.

The appraiser's certification appearing in this appraisal report is subject to the following conditions and to such other specific conditions as are set forth by the appraiser in the report. All extraordinary assumptions and hypothetical conditions are stated in the report and might have affected the assignment results.

1. The appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or title thereto, nor does the appraiser render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.
2. Any sketch in this report may show approximate dimensions and is included only to assist the reader in visualizing the property. The appraiser has made no survey of the property.
3. The appraiser is not required to give testimony or appear in court because of having made the appraisal with reference to the property in question, unless arrangements have been previously made thereto.
4. Neither all, nor any part of the content of this report, copy or other media thereof (including conclusions as to the property value, the identity of the appraiser, professional designations, or the firm with which the appraiser is connected), shall be used for any purposes by anyone but the client and other intended users as identified in this report, nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without the written consent of the appraiser.
5. The appraiser will not disclose the contents of this appraisal report unless required by applicable law or as specified in the Uniform Standards of Professional Appraisal Practice.
6. Information, estimates, and opinions furnished to the appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished to the appraiser is assumed by the appraiser.
7. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The appraiser assumes no responsibility for such conditions, or for engineering or testing, which might be required to discover such factors. This appraisal is not an environmental assessment of the property and should not be considered as such.
8. The appraiser specializes in the valuation of real property and is not a home inspector, building contractor, structural engineer, or similar expert, unless otherwise noted. The appraiser did not conduct the intensive type of field observations of the kind intended to seek and discover property defects. The viewing of the property and any improvements is for purposes of developing an opinion of the defined value of the property, given the intended use of this assignment. Statements regarding condition are based on surface observations only. The appraiser claims no special expertise regarding issues including, but not limited to: foundation settlement, basement moisture problems, wood destroying (or other) insects, pest infestation, radon gas, lead based paint, mold or environmental issues. Unless otherwise indicated, mechanical systems were not activated or tested.

This appraisal report should not be used to disclose the condition of the property as it relates to the presence/absence of defects. The client is invited and encouraged to employ qualified experts to inspect and address areas of concern. If negative conditions are discovered, the opinion of value may be affected.

Unless otherwise noted, the appraiser assumes the components that constitute the subject property improvement(s) are fundamentally sound and in working order.

Any viewing of the property by the appraiser was limited to readily observable areas. Unless otherwise noted, attics and crawl space areas were not accessed. The appraiser did not move furniture, floor coverings or other items that may restrict the viewing of the property.

9. Appraisals involving hypothetical conditions related to completion of new construction, repairs or alteration are based on the assumption that such completion, alteration or repairs will be competently performed.
10. Unless the intended use of this appraisal specifically includes issues of property insurance coverage, this appraisal should not be used for such purposes. Reproduction or Replacement cost figures used in the cost approach are for valuation purposes only, given the intended use of the assignment. The Definition of Value used in this assignment is unlikely to be consistent with the definition of Insurable Value for property insurance coverage/use.
11. The ACI General Purpose Appraisal Report (GPAP<sup>TM</sup>) is not intended for use in transactions that require a Fannie Mae 1004/Freddie Mac 70 form, also known as the Uniform Residential Appraisal Report (URAR).

**Additional Comments Related To Scope Of Work, Assumptions and Limiting Conditions**

**Residential Appraisal Report**

File No. Ahrendt

**Appraiser's Certification**

The appraiser(s) certifies that, to the best of the appraiser's knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are the appraiser's personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. Unless otherwise stated, the appraiser has no present or prospective interest in the property that is the subject of this report and has no personal interest with respect to the parties involved.
4. The appraiser has no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. The appraiser's engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. The appraiser's compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. The appraiser's analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
8. Unless otherwise noted, the appraiser has made a personal inspection of the property that is the subject of this report.
9. Unless noted below, no one provided significant real property appraisal assistance to the appraiser signing this certification. Significant real property appraisal assistance provided by:

Additional Certifications:

Definition of Value: ☒ Market Value ☐ Other Value:

Source of Definition: Appraisal Institute Dictionary of Real Estate Appraisal

Market Value is defined as the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

ADDRESS OF THE PROPERTY APPRAISED:

18040 Lorenz Ave

Lansing, IL 60438

EFFECTIVE DATE OF THE APPRAISAL: 06/13/2015

APPRAISED VALUE OF THE SUBJECT PROPERTY \$ 115,000

**APPRAISER**

Signature: David J. Evans

Name: David J. Evans

State Certification # 556.003774

or License # \_\_\_\_\_

or Other (describe): \_\_\_\_\_

State: Illinois State #: \_\_\_\_\_

Expiration Date of Certification or License: 09/30/2015

Date of Signature and Report: 06/18/2015

Date of Property Viewing: 06/13/2015

Degree of property viewing:

☒ Interior and Exterior

☐ Exterior Only

☐ Did not personally view

**SUPERVISORY APPRAISER**

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

State Certification # \_\_\_\_\_

or License # \_\_\_\_\_

State: \_\_\_\_\_

Expiration Date of Certification or License: \_\_\_\_\_

Date of Signature: \_\_\_\_\_

Date of Property Viewing: \_\_\_\_\_

Degree of property viewing:

☐ Interior and Exterior

☐ Exterior Only

☐ Did not personally view



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GPAR1004\_10052010

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### CERTIFICATE OF SERVICE

I, Edwin L Feld (name), certify that service of this summons and a copy of the complaint was made March 24, 2015 (date) by:

- ☒ Mail service: Regular, first class United States mail, postage fully pre-paid, addressed to: Mary Cvengros, District Counsel, US Small Business Administration, 500 W Madison St, Ste 1150, Chicago IL 60611  
Judith Roussel, District Director, US Small Business Administration, 500 W Madison St, Ste 1150, Chicago IL 60611  
Karen Mills, Administrator, US Small Business Administration, 409 3rd St SW, Washington DC 20416  
United States Attorney's Office, Northern District of Illinois, Eastern Division, 219 S Dearborn St, 8th Floor, Chicago IL 60604  
United States Attorney General, 950 Pennsylvania Ave NW, Washington DC, 20530
- ☐ Personal Service: By leaving the process with the defendant or with an officer or agent of defendant at:
- ☐ Residence Service: By leaving the process with the following adult at:
- ☐ Certified Mail Service on an Insured Depository Institution: By sending the process by certified mail addressed to the following officer of the defendant at:
- ☐ Publication: The defendant was served as follows: [Describe briefly]
- ☐ State Law: The defendant was served pursuant to the laws of the State of \_\_\_\_\_ as follows: [Describe briefly]

If service was made by personal service, by residence service, or pursuant to state law, I further certify that I am, and at all times during the service of process was, not less than 18 years of age and not a party to the matter concerning which service of process was made.

Under penalty of perjury, I declare that the foregoing is true and correct.

Date 3/24/15

Signature /s/ Edwin L Feld

Print Name :

Edwin L Feld

Business Address:

Edwin L Feld & Associates, LLC  
29 S LaSalle Street, Ste 328  
Chicago IL 60603